

MINUTES OF REGULAR MEETING  
NORTHAMPTON MUNICIPAL UTILITY DISTRICT  
HARRIS COUNTY, TEXAS

March 20, 2017

THE STATE OF TEXAS     §  
  §  
COUNTY OF HARRIS     §

The Board of Directors (the "Board") of Northampton Municipal Utility District (the "District") of Harris County, Texas, met in regular session, open to the public, at 7:00 p.m., on the 20<sup>th</sup> day of March, 2017 at the regular meeting place thereof, the Northampton Center, 6012 Root Road, Spring, Texas, within the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

E. C. Thomas	President
Bill Black	1st Vice President
W. Paul Schneider	2nd Vice President
Scott Kirkpatrick	Secretary
Roger A. Flood, III	Treasurer

All members of the Board were present, thus constituting a quorum.

Also present were Ms. Cindy Schmidt of L&S District Services, LLC, the District's Bookkeeper; Ms. Esther Flores of Tax Tech, Inc., the District's Tax Assessor/Collector; Mr. Robb Clark of Hays Utility South Corporation, the District's Operator; Mr. Jim Sheffield, the District's General Manager; Mr. Joshua Lee, P.E. and Ms. Sherry Grant, EIT of Jones & Carter, Inc., the District's Engineer; Ms. Lisa June, an employee of the District; Mr. Danny Pereyra of Environmental Allies, the District's Mowing/Detention Contractor; Mr. Patrick Flores, an interested party; and Mr. John Wallace of Bacon & Wallace, L.L.P., the District's Attorney.

WHEREUPON, following a notation that notices of the meeting had been duly posted in accordance with law, copies of which are attached hereto as exhibits, the meeting was called to order. At this time, the pledge of allegiance and an invocation were held.

COMMENTS FROM THE PUBLIC

There were no comments from the public at this time.

APPROVAL OF MINUTES

Minutes of the meetings of the Board of Directors held on February 20, 2017 and March 6, 2017 were presented for review and approval. Upon motion duly made and seconded, the Board voted unanimously to approve the February 20, 2017 minutes as amended and approve the March 6, 2017 minutes as presented.

Director Black noted that the erosion problem on W. Rayford Road had not been addressed by the Harris County Flood Control District ("HCFC").

## TAX ASSESSOR/COLLECTOR'S REPORT

Esther Flores presented the Tax Assessor/Collector's Report, a copy of which is attached hereto as an exhibit. Ms. Flores reported the District had collected 94.3% of the District's 2016 tax levy as of February 28, 2017. She stated there were no fund transfers to report as they were to be processed tomorrow. She then reviewed the personal property write-off accounts which were aged ten years and older. Upon motion duly made and seconded, the Board voted unanimously to approve writing off the proposed delinquent accounts.

Upon motion duly made and seconded, the Board voted unanimously to approve the Tax Assessor/Collector's Report as presented.

## BOOKKEEPER'S REPORT

Cindy Schmidt presented and reviewed the Bookkeeper's Report, a copy of which is attached hereto as an exhibit. Ms. Schmidt reviewed the second month of the year-to-date budget. She introduced TexPool and TexPool Prime investment funds to the Board and questioned whether or not the Board was interested in investing in these funds which resemble Money Market Funds.

Mr. Wallace stated that the Certificate of Deposit Account Registry Service ("CDARS") Program was also available and explained the program is a clearing house for CDs of multiple banks offered through Central Bank.

Upon motion duly made and seconded, the Board voted unanimously to approve investing District funds in TexPool Prime, currently \$2,000,000.00. Ms. Schmidt stated she would present additional CDARS information to the Board for consideration regarding investment of debt service funds.

Ms. Schmidt next presented the Investment Report, a copy of which is attached hereto as an exhibit.

Upon motion duly made and seconded, the Board voted unanimously to approve the Bookkeeper's Report, the Investment Report and payment of the checks as presented.

## ENGINEER'S REPORT

Josh Lee reviewed the Engineer's Report, a copy of which is attached hereto as an exhibit. Mr. Lee discussed Water Plant No. 3. He said Bryan Frenchak and his bank still needed to execute the Lienholder's Subordination to Dedication for a 60-foot access easement in order to obtain a recorded plat.

Mr. Lee reported that the 2017 lift station rehabilitation project was underway and the lift stations to be worked on are Root, Kingscrest, & Bridgesway.

Mr. Lee stated it was time to renew the TPDES discharge permit which covers both plants. The renewal needs to be submitted 180 days prior to the permit expiration date. Upon motion duly made and seconded, the Board voted unanimously to authorize the Engineer to prepare and submit the permit renewal application to the Texas Commission on Environmental

Quality for the TPDES permit renewal at an estimated cost of \$23,515.00.

Mr. Lee stated that preparation of the Surplus Funds Application for water meter replacements was on hold pending completion of the 2017 Lift Station Rehabilitation project.

Mr. Lee presented a feasibility study for an additional 2.69 acre tract adjacent to the 7.97 acre development previously annexed into the District, located on the northwest corner of the Gosling "Berry Commercial Plaza" site, a copy of which is attached hereto as an exhibit. Mr. Lee stated private water and sewer lines would need to be extended within the tract to connect to the public lines. He stated the cost of any private waterlines and sewer lines would be the responsibility of the Developer of the tract. As a result, all additional tax value to the District would be without incurring additional debt. Upon motion duly made and seconded, the Board voted unanimously to approve the feasibility study.

Mr. Lee then presented Pay Estimate No. 8 from Burnside Services, Inc. for excavation, grading, and detention in Hampton Creek, Phase 3 in the amount of \$25,200.00; Pay Estimate No. 3 in the amount of \$210,115.46 to Sonora SWQM Co. dba Sonora Construction for excavation, grading, and detention in Hampton Creek Phase 4; and Pay Estimate No. 1 in the amount of \$32,541.12 to Jaho, Inc. for paving in Hampton Creek Section 9. Upon motion duly made and seconded, the Board voted unanimously to approve the Pay Estimates as presented.

Mr. Lee reported that Klein Independent School District ("KISD") had executed the Amendment to Utility Development and Service Agreement between the District and KISD to serve the Northcrest Agriscience Facility. Upon motion duly made and seconded, the Board voted unanimously to execute the agreement.

Director Black proposed installing two I-beam supports at the Willow Creek crossing. The Engineer stated he would review the design and make recommendations.

Mr. Lee reported that LPUSA, Inc. (formerly Peramco, Inc.) had made a request for reimbursement, in the approximate amount of \$33,000.00, of the Harvest Market tract's pro-rata share of the Gosling Road Water and Sanitary Sewer Extension North of West Rayford Road. The total project cost was \$166,000.00, and he reported that no financing agreement was in place. The Board agreed that there appeared to be no legal basis to make a reimbursement to the Developer.

#### DEVELOPERS

Mr. Wallace stated the AGG Box Solutions 1.613 acre annexation was still on hold at the request of the developer.

#### ATTORNEY

Mr. Wallace informed the Board that D.R. Horton wanted to proceed with the detention pond acceptance, and that he had visited with Environmental Allies to obtain some maintenance cost figures. The Board determined it wanted to resolve matters that were discussed with D.R. Horton at an on-site meeting a few months ago. D. R. Horton needed to respond to the letter that the District sent them related to improvements that the District wants. Mr. Wallace agreed to follow up on the matter.

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Mr. Wallace discussed maintenance of drainage ditches in the District and stated that Harris County Flood Control District ("HCFCD") wanted better legal definition and a written agreement regarding the obligation to maintain drainage areas designated on the plat.

Mr. Lee noted that three of these areas had become problematic due to the formation of sinkholes. He stated an agreement needed to cover maintenance of storm sewer laterals from trunklines to Willow Creek, noting there were about 30 or 40 of these locations. Mr. Lee stated the District should approach HCFCD to address the more problematic laterals and request that they proceed with repairs.

## OPERATOR'S REPORT

Robb Clark presented the Operator's Report, a copy of which is attached hereto as an exhibit. Mr. Clark stated the District's water accountability rate for the previous month was 96% and there were no excursions at the Wastewater Treatment Plant.

Mr. Clark stated that twelve residential taps and four commercial taps had been installed. He reported that work was continuing at Water Plant No. 1, and noted the Operator will add valves to keep the two Northcrest buildings in service.

Mr. Clark stated he would obtain a report from the vendor who installed the chlorination system at Water Plant No. 2.

## GENERAL MANAGER'S REPORT

Mr. Sheffield informed the Board that the clearing at Willow Creek Park would be finished by the end of the week. He stated a buffer had been left on the golf course side.

Mr. Sheffield reported that the swim teams are paying on all of their programs. He stated that a pump had burned up at the Northcrest pool and was being repaired. He informed the Board that he had located some good quality lounge chairs which came with a 15 year guaranty. Mr. Sheffield also noted he was working on a survey of future facilities for the District.

The Board agreed to hold a special meeting March 27, 2017 at 7:00 p.m. to discuss pool improvements including the splash pad at Inway.

OTHER MATTERS

There being no further business to come before the Board, the meeting was adjourned.



  
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Secretary, Board of Directors